

National Provider Identifier (NPI) Information

NOTE: *This information is as of Sept. 28, 2001. Be sure to check with the Federal DHHS for the most current NPI Rule information at their Website <http://aspe.hhs.gov/admsimp/> It will contain the most current information on this proposed rule. The Provider Taxonomy can be referenced at <http://www.wpc-edi.com/taxonomy/>*

(This text was downloaded from <http://aspe.hhs.gov/admsimp/faqnpi.htm> on Sept. 28, 2001.)

Frequently Asked Questions About the National Provider Identifier (NPI)

Updated 11/22/2000

1. What is the National Provider Identifier (NPI)?

Today, health plans assign identification numbers to health care providers -- individuals, groups, or organizations that provide medical or other health services or supplies. The result is that providers who do business with multiple health plans have multiple identification numbers. The NPI is a unique identification number for health care providers that will be used by all health plans. Health care providers and all health plans and health care clearinghouses will use the NPIs in the administrative and financial transactions specified by HIPAA. The NPI was proposed as an 8-position alphanumeric identifier. However, many commenters preferred a 10-position numeric identifier with a check digit in the last position to help detect keying errors. The NPI contains no embedded intelligence; that is, it contains no information about the health care provider such as the type of health care provider or State where the health care provider is located.

2. Who would get an NPI?

NPIs would be given to health care providers that need them to submit claims or conduct other transactions specified by HIPAA. A health care provider is an individual, group, or organization that provides medical or other health services or supplies. This includes physicians and other practitioners, physician/practitioner groups, institutions such as hospitals, laboratories, and nursing homes, organizations such as health maintenance organizations, and suppliers such as pharmacies and medical supply companies. This does not include health industry workers, such as admissions and billing personnel, housekeeping staff, and orderlies, who support the provision of health care but do not provide health care services.

3. How would NPIs be issued?

NPIs would be issued by the National Provider System (NPS) based on information entered into the NPS by one or more organizations known as "enumerators." Enumerators would carry out a number of functions, which include entering identifying information about a health care provider into the system, performing data validation (for example, confirming the State license number), notifying a health care provider of its NPI, and updating information about a health care provider when notified by the health care provider.

4. What entities would be enumerators?

The two most viable options are described below. The Notice of Proposed Rule Making welcomes feedback on these options, as well as on alternate solutions. Because the data needed to enumerate Medicare providers is already available in HCFA files, that information will be loaded into the National Provider System and NPIs will be assigned automatically to Medicare providers under either option described below. Medicare providers, therefore, would not have to apply for an NPI.

Option 1: A Federally-directed registry would be the enumerator of all health care providers.

After the initial load of Medicare provider data and assignment of NPIs to Medicare providers, all the remaining health care providers would apply directly to the registry for an NPI. The registry could be operated by an agent or contractor. The registry would enter the provider's data into the National Provider System; the National Provider System would assign an NPI, and the registry would notify the provider of the NPI.

Option 2: A combination of Federal programs (health plans), Medicaid State agencies, and a registry would be enumerators.

Federal programs and Medicaid State agencies would enumerate their own health care providers by entering provider data into the National Provider System; the National Provider System would assign NPIs to the providers. Each health care provider participating in more than one Federal or Medicaid health plan could choose the one by which it wishes to be enumerated. All other health care providers would apply directly to a Federally-directed registry for an NPI.

5. When will the NPI be used?

Two years after the adoption of this proposed standard, the NPI must be used by health plans, health care clearinghouses, and those health care providers that conduct electronic transactions specified by HIPAA. Small health plans have 3 years to comply.

6. What are the uses of the NPI?

The NPI must be used in connection with the electronic transactions identified in HIPAA. In addition, the NPI may be used in several other ways: (1) by health care providers to identify themselves in health care transactions identified in HIPAA or on related correspondence; (2) by health care providers to identify other health care providers in health care transactions or on related correspondence; (3) by health care providers on prescriptions (however, the NPI could not replace requirements for the Drug Enforcement Administration number or State license number); (4) by health plans in their internal provider files to process transactions and communicate with health care providers; (5) by health plans to coordinate benefits with other health plans; (6) by health care clearinghouses in their internal files to create and process standard transactions and to communicate with health care providers and health plans; (7) by electronic patient record systems to identify treating health care providers in patient medical records; (8) by the Department of Health and Human Services to cross reference health care providers in fraud and abuse files and other program integrity files; (9) for any other lawful activity requiring individual identification of health care providers, including activities related to the Debt Collection Improvement Act of 1996 and the Balanced Budget Act of 1997.

7. How can a health care provider obtain an NPI? (updated 11/22/2000)

After the standard is announced in the Final Rule in the Federal Register, the NPS will begin assigning NPIs to health care providers based on information they supply on NPI applications. Because there are so many providers, HHS recommended in the Notice of Proposed Rule Making that assignment of the NPI be done in phases. We expect that providers that conduct any of the transactions specified in HIPAA would be among the first to be enumerated.

Provider Taxonomy

Currently, it is proposed that HIPAA will create a new National Provider Identifier that may be a 10 character identifier, possibly all numeric. A Provider Taxonomy is being considered by the Federal Department of Health and Human Services. Their Website <http://aspe.hhs.gov/admsimp/> will contain the most current information on this proposed rule. The Provider Taxonomy can be referenced at <http://www.wpc-edi.com/taxonomy/>. Those interested in working on the Unique Identifiers Standards Sub-Workgroup may become involved by contacting Sara Gilb at 916-653-8788 and SGilb@dmhhq.state.ca.us

DMH will work with CMHDA's IT Committee on potential changes.